

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:664
ANSWERED ON:21.02.2003
TRADE RELATION WITH SRI LANKA
PARSURAM MAJHI

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government are taking steps to improve trade relation with Sri Lanka;
- (b) if so, the details thereof; and
- (c) the plan drawn up thereon for 2003-04 and next two financial years?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY)

(a) to (c) A Free Trade Agreement (FTA) between India and Sri Lanka was signed on 28th December, 1998 in New Delhi. The FTA has been made operative by the issuance of Customs Notification on 1st March, 2000. The Agreement envisages phasing out of tariffs on all products, over a period of time, except for a limited number of items in the Negative List. While India would complete the process of tariff elimination over a period of 3 years, Sri Lanka would achieve this over 8 years. During the first meeting of the Joint Ministerial Committee (JMC) held in New Delhi on 7th June, 2002, both sides have agreed in-principle to include trade in services to widen the ambit of the India-Sri Lanka Free Trade Agreement. It has been agreed that a Task Force shall be set up for concretising the proposal for inclusion of trade in services in the FTA between the two countries.